GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

MINES & MINERALS – M/s APMDC – Permission for issuance of Bonds for an amount upto Rs. 7000,00,00,000/- (Rupees Seven Thousand Crore) by APMDC on private placement basis with State Government's Guarantee and ratifying the action taken by APMDC in completing certain preliminary preparative activities - Orders - Issued.

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INDUSTRIES & COMMERCE (M.III) DEPARTMENT

G.O.Ms.No.35 Dated:15.03.2024

Read the following:

From the VC&MD, APMDC single e-file (Comp No: 2379505) bearing APMDC-15/1/2024-ACCOUNTS SEC-APMDC, Dt.12.03.2024.

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ORDER:

In the single e-file read above, the Vice Chairman & Managing Director, Andhra Pradesh Mineral Development Corporation Ltd, while narrating the circumstances and giving proper justification for proposal for issuance of Bonds for an amount upto Rs.7000,00,00,000/- (Rupees Seven Thousand Crore) has stated that the funds so raised shall be utilized to meet various corporate purposes, including various investments which will generate additional returns over & above the cost of funds, resulting in higher net profits to the Corporation and consequently, appreciation of shareholder wealth. In this regard, the Corporation has already completed certain preliminary preparatory activities, including appointment of certain critical agencies and also been identified a potential investor who seeks to invest in the bonds through FPI route and a term sheet containing the proposed terms as recommended by the transaction advisor has been in-principally accepted by both APMDC and the potential investor.

2. The VC & MD, APMDC has, therefore, requested the Government for approval on the following;

i. To ratify the action taken by APMDC in appointing competent agencies for various critical activities in the process of bond issuance viz., Transaction Advisor, Registrar & Transfer Agent, Debenture Trustee, Arranger, Depository etc.

ii. To ratify the action taken by APMDC in identifying the potential investor and executing a preliminary term sheet with the proposed terms of the bonds issue with the potential investor.

iii. To provide approval to APMDC to issue Secured, Senior, Redeemable, Taxable Non-Convertible bonds up to an amount of Rs. 7000,00,00,000/- (Rupees Seven Thousand Crore) on private placement basis.

iv. To provide approval for the proposed bonds to be secured by an Unconditional & Irrevocable Guarantee by the Government of Andhra Pradesh as a continuing obligation for the timely servicing of the interest and principal in Respect of such Bonds.

3. Government, after careful examination of the matter, hereby extend State Government's Guarantee for issuance of Bonds for an amount upto Rs. 7000,00,00,000/- (Rupees Seven Thousand Crore) by Andhra Pradesh Mineral Development Corporation Ltd on private placement basis, duly ratifying the action taken by the APMDC in appointing competent agencies for various critical activities in the process of bond issuance viz., Transaction Advisor, Registrar & Transfer Agent, Debenture Trustee, Arranger, Depository etc., and in identifying the potential

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investor and executing a preliminary term sheet with the proposed terms of the bonds issue with the potential investor, subject to the following conditions;

(a) The APMDCL shall satisfy themselves about the intended purpose & the gainful deployment of the funds proposed to be raised and ensuring the same shall be invested in viable projects only to ensure the protection of the capital being raised.

(b) The servicing of the bonds contracted shall be made by the APMDCL strictly from their internal resources, & without any recourse to government/budgetary support, neither now nor in the future.

(c) The 1st charge upon the resources of the APMDCL shall be for the servicing of the bonds.

(d) The APMDCL shall put in place a robust mechanism to ensure that sufficient amounts are always maintained to service the loan (both principal & interest) from their internal resources to avoid the contingency of requiring budgetary support for the loan servicing.

(e) The APMDCL shall plan to avail the bonds in phases only and to the extent of the requirement of funds with and clear visibility of the deployment and & their ability to repay the loans without dependence upon government/budgetary support for the loan servicing.

(f) The Managing Director APMDCL shall monitor & implement the smooth operation of the above arrangement & shall be held responsible for any deviation.

4. The Vice Chairman & Managing Director, Andhra Pradesh Mineral Development Corporation Ltd., shall take necessary further action accordingly in the matter.

5. This order is issued with the concurrence of Finance Department vide their U.O.No. FIN01-FMU0MISC/132/2024-FMU-IC-IIE Dated:14.03.2024.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

GOPAL KRISHNA DWIVEDI
SPECIAL CHIEF SECRETARY TO GOVERNMENT(MINES)

To
The Vice Chairman & Managing Director, APMDC, Kanuru, Viajyawada.
Copy to:
The Finance (FMU, I&C, I&I & Energy) Department.
The PS to Spl CS., to CM.
The OSD to Minister(M&G).
The PS to Spl.CS to Govt.(M).
SF/SCs.

// FORWARDED :: BY ORDER//

SECTION OFFICER